

Message Text

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ACTION AF-18

INFO OCT-01 EUR-25 IO-14 ISO-00 SP-03 AID-20 EB-11 NSC-07

RSC-01 CIEP-03 TRSE-00 SS-20 STR-08 OMB-01 CEA-02

CIAE-00 COME-00 FRB-03 INR-11 NSAE-00 XMB-07 OPIC-12

LAB-06 SIL-01 GSA-02 INT-08 L-03 H-03 DODE-00 PA-04

USIA-15 PRS-01 PM-07 DRC-01 /218 W
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R 170555Z SEP 74

FM AMEMBASSY BUJUMBURA
TO SECSTATE WASHDC 4455
INFO AMEMBASSY BRUSSELS
AMEMBASSY BUCHAREST
AMCONSUL BUKAVU
AMEMBASSY DAR ES SALAAM
AMCONSUL JOHANNESBURG
AMEMBASSY KIGALI
AMEMBASSY KINSHASA
AMCONSUL LUBUMBASHI
AMEMBASSY NAIROBI
USMISSION USUN NEW YORK

C O N F I D E N T I A L BUJUMBURA 0565

DEPT. PLEASE PASS DEPT. OF INTERIOR FOR BUREAU OF MINES AND DEPT.
OF COMMERCE FOR OIFI COM/BIC

E.O. 11652: GDS

TAGS: EMIN, EINV, ETRD, BY

SUBJECT: FURTHER DEVELOPMENTS IN PLANS OF NICKEL CONSORTIUM

1. ALBERT AUCLAIR, WHO IS TEMPELSMAN REP IN LUBUMBASHI, BROUGHT US
UP TO DATE SEPT. 13, ON ACTIVITIES OF MAURICE TEMPELSMAN AIMED AT
ORGANIZING CONSORTIUM TO EXPLOIT NICKEL DEPOSITS IN BURUNDI. MAJOR
BREAKTHROUGH CAME TEN DAYS AGO WHEN ALLEGHENY-LUDLUM STEEL COMPANY
AGREED TENTATIVELY TO JOIN CONSORTIUM PLANNING GROUP. BESIDES
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ALLEGHENY, GROUP WILL INCLUDE TEMPELSMAN, CHARTER CONSOLIDATED OF

LONDON, ROMANIAN GOVERNMENT, AND BURUNDI. ONLY POSSIBLE ADDITION WOULD BE SOME FIRM WITH SPECIAL TECHNICAL COMPETENCE ("LE NICKEL" AND FALCONBRIDGE WERE MENTIONED AMONG OTHERS), BUT SAME EXPERTISE MIGHT ALTERNATIVELY BE GOTTEN BY SERVICE CONTRACT.

2. CURRENT PLANS ANTICIPATE MEETING OF SENIOR OFFICERS OF GROUP BEFORE END OF OCTOBER TO MAKE FINAL COMMITMENTS OF MONEY TO FEASIBILITY STUDY (ROMANIA TOO WILL ALLEGEDLY PROVIDE ACTUAL INPUT). THEN SUITABLE REPS WOULD COME TO BUJUMBURA TO MAKE FIRM DEAL WITH GRB BOTH ON APPROXIMATELY 18 MONTHS FEASIBILITY STUDY AND ON OPTIONS FOR CONSORTIUM TO EXPLOIT DEPOSITS IF RESULTS OF STUDY ARE FAVORABLE. GRB WOULD ALSO BE EXPECTED TO MAKE FORMAL REQUEST TO WORLD BANK FOR PARALLEL STUDY OF INFRASTRUCTURE REQUIREMENTS OF PROJECT, SO THAT OVERALL DECISION ON GO-AHEAD COULD BE MADE IN 1976.

3. AUCLAIR SAID THAT ONLY RECENT MESSAGE SENT BY TEMPELSMAN TO GRB HAS BEEN OPTIMISTIC REPORT ABOUT TEMPELSMAN MISSION TO BUCHAREST SEVERAL MONTHS AGO. HIS OWN CURRENT VISIT WAS MOTIVATED BY EFFORT TO GET COPY OF FINAL UNDP MINERALS SURVEY REPORT (BUJUMBURA 548 NOTAL). ECON MINISTER BARAKAMFITIYE TOLD HIM THAT GRB WOULD NOT RELEASE IT FOR SEVERAL WEEKS YET, AND SIMBANANIYE WAS EQUALLY UNFORTHCOMING. LATTER DID SAY HE WOULD COME TO UNGA DURING FIRST TEN DAYS OF OCTOBER.

4. AUCLAIR COMMENTED THAT HE DID NOT ANTICIPATE THAT FONMIN WOULD TAKE UP TEMPELSMAN'S OFFER MADE DURING TEMPELSMAN VISIT LATE LAST SPRING TO PUT SIMBANANIYE IN TOUCH WITH SENATORS KENNEDY AND HUMPHREY (PERHAPS THROUGH TED SORENSEN WHO IS NOW WORKING WITH TEMPELSMAN), IF SIMBANANIYE WANTED TO MAKE SOME POLITICAL POINTS ABOUT TUTSI-HUTU SITUATION (AND POLITICAL STABILITY GENERALLY) WITHIN BURUNDI. TEMPELSMAN HAD MADE CLEAR THAT ONLY FRANK ACKNOWLEDGEMENT OF THIS POLITICAL PROBLEM BY SIMBANANIYE COULD MAKE CONTACT WITH SENATORS PROFITABLE.

5. COMMENT: GRB DELAY IN AUTHORIZING PUBLICATION OF UNDP REPORT MOST PROBABLY UNRELATED TO ITS REACTION TO TEMPELSMAN PLANS. GRB WOULD PRESUMABLY LIKE TO DIGEST SURVEY'S FINDINGS COMPLETELY, ASSESS ITS BARGAINING LEVERAGE, AND FORMULATE TENTATIVE POSITIONS ON ISSUES BEFORE LETTING OTHERS IN ON GOOD NEWS. GIVEN PRESENT POLITICAL CONFIDENTIAL

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DISSARRAY WITHIN GRB, GIVEN SIMBANANIYE'S UNDOUBTED WIS TO USE HIS NEGOTIATING POSITION ON NICKEL AS TOOL TO BOLSTER HIS SAGGING STATUS IN GRB, AND GIVEN, ESPECIALLY, GRB'S DIFFICULTY IN RACHING EVEN SIMPLE DECISIONS AT BEST OF TIMES, DELAY COULD DRAG ON SOME TIME. MARK

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